

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7065

BILL NUMBER: HB 2015

DATE PREPARED: Jan 15, 2001

BILL AMENDED:

SUBJECT: Levy for Court Funding.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

(A) It requires a county to deposit court fees in a court fund established by the county instead of depositing them in the county's general fund.

(B) It provides that certain court-related expenditures shall be paid from the court fund if they are not paid from the Family and Children's Fund.

Effective Date: July 1, 2001; January 1, 2002.

Explanation of State Expenditures: Under this proposal, the State Tax Board could adopt rules to govern the type of expenditure that would be paid out of the Court Fund and which fees must be paid from the Court Fund. The bill allows the Tax Board to adopt emergency rules for this purpose.

Explanation of State Revenues:

Explanation of Local Expenditures: Under this bill, each county will establish a Court Fund that will be funded by a combination of property taxes and court-related fees.

A county's court costs that will be paid out of this fund include the following: (1) office expenses; (2) court personnel costs; (3) adult probation; (4) juvenile probation; (5) juvenile detention; (6) public defenders; (7) supplementing juror fees; (8) court-established alcohol and drug services programs that are not funded from user fee funds; (9) Paying the Department of Correction (DOC) fifty percent (50%) of the costs associated with juveniles held in the custody of the Department; (10) the county's share of community corrections expenses; (11) the salaries of deputy prosecuting attorneys, except for the salary of the chief deputy prosecuting attorney and the salaries of deputy prosecuting attorneys employed in the Title IV-D program; and (12) pension trust payments.

Explanation of Local Revenues: The following illustrates the steps that are involved in determining the funding level that would be deposited in the new court funds from the general funds from each county. An illustration is also included concerning the potential transfer of money into the proposed county court funds.

(Note: For the purposes of this fiscal note, the following data was used. Revenue data was limited to CY 1999 fees that were reported in the 1999 Judicial Services Report. Expenditure data for CY 1999 was also taken from the 1999 Judicial Services Report and included ten of the twelve items listed above. These expenditures are used to calculate the maximum General Fund levy that is used to illustrate the CY 2001 levy. Missing data includes expenditures by counties for sending juveniles to DOC juvenile facilities and pension trust payments. This fiscal note will be updated if information on county expenditures for juvenile delinquents in DOC facilities becomes available.)

Step One: The amount spent by the county for court expenditures is estimated to be \$171,472,614 in CY 1999, the most recent year that this information is available.

Step Two: Multiply this amount by a factor of 1.1. The next year's amount would be \$188,619,875.

Step Three: Determine the difference between the amount determined in *Step Two* and the average annual amount of court fees and miscellaneous revenues received by the county between CY 1998 and CY 2000.

The revenue included for court costs fees, ordinance violations, bond fees, county user fees, drug fees, adult and juvenile probation user fees, guardian ad litem fees, public defender fees, jury fees, investment, and other interest income totaled \$45,192,405 for CY 1999. The difference between this revenue and the court expenditures is \$143,427,470. This difference represents the amount that would be the Court Fund levy. The Court Fund levy for CY 2001 would represent 20% of the total county levy, statewide. The minimum percentage that would have to be transferred would be 0.13% of an entire county's maximum General Fund levy, while the maximum transfer percentage would be 57%.

The annual increases in the Court Fund levies would be limited to the amount of each county's assessed value growth quotient (AVGQ). The minimum AVGQ is 5% and the maximum is 10%. This is the same rate of increase that counties currently use for overall maximum levy growth. Between the 1995 and 1999 calendar years, the average statewide increase in court expenditures was 7.2%.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: Counties, Courts.

Information Sources: 1999 Judicial Services Report, Local Government Database.